

**Addendum No. 1**  
**To The**  
**Request for Proposals**  
**To Provide Reliability Peaking Generation**  
**For The**  
**California Consumer Power and Conservation Financing Authority**  
**Released February 28, 2003**  
  
**Date of this Addendum: March 17, 2003**

The California Consumer Power and Conservation Financing Authority (the "Authority") released a Request For Proposals ("RFP") for new peaking generation on February 28, 2003. This Addendum No. 1 is being released to notify potential respondents of changes and clarifications regarding some RFP requirements. For additional RFP clarifications, potential respondents should also visit the Authority's website to view any postings of questions and answers.

Any questions concerning either the RFP or this Addendum No. 1 should be submitted in writing to: [PeakerRFP@dgs.ca.gov](mailto:PeakerRFP@dgs.ca.gov)

Changes and clarifications to the RFP are as follows:

**Hours of operation.** The RFP states "Category 1 proposals should be permitted to support up to 4,000 hours of operation per year" (Section 1.2, Fixed Turnkey Price, page 4). This sentence should instead state "Category 1 proposals should contain two fixed turnkey prices, one based on 2,000 hours of operation per year and a second based on 4,000 hours of operation per year."

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**Number of starts.** The RFP does not specify the number of starts per year to be considered by the respondent in establishing either the proposed fixed turnkey price or the proposed O & M fees. For these purposes, the number of starts per year should be assumed to be fifty (50). In addition, O & M proposals should include a proposed fee structure for starts in excess of 50. This applies to Category 1 proposals as well as Category 2 proposals.

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**Maximum allowable heat rate.** The RFP does not specify a heat rate requirement; therefore, the following maximum allowable heat rate requirement shall apply: Projects proposing a heat rate above 12,000 Btu/kWh will not be considered. This applies to Category 1 proposals as well as Category 2 proposals. This is a pass/fail criterion.

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**Warranties on used equipment.** The RFP states “Projects proposing the use of used or refurbished equipment will be considered; however, the facility must comply with all applicable local and state air emission requirements” (Section 1.11, Lowest Cost, page 2, and Section 1.12, Locations in Reliability Sensitive Areas, page 4). These sentences should instead state “Projects proposing the use of used or refurbished equipment will be considered; however, the facility must comply with all applicable local and state air emission requirements and be under warranty for at least one year from the commercial operating date.”

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**Additional evaluation criterion—Category 1 proposals.** The RFP states “Category 1 proposals will be evaluated based on the following three factors” (Section 5.1, Category 1 Proposals, page 13). This sentence should instead state “Category 1 proposals will be evaluated based on the following four factors.” The 80% weighting factor applied to the bid price (Section 5.11, Bid Price, page 13) is reduced to sixty five percent (65%) and a new Section 5.14 is added as follows:

**5.14 Correlation With Overall Needs**  
*(15% Weighting Factor)*

The Authority will evaluate proposals to determine which proposals are likely to provide the greatest overall value and best fit the overall objectives and needs of the Authority’s peaking generation program. This includes, but is not limited to, such factors as the delivered cost of energy, contracting utility resource needs, financing, and regulatory approval.

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**Additional evaluation criterion—Category 2 proposals.** The RFP states “Category 2 proposals will be evaluated based on the following four factors” (Section 5.2, Category 2 Proposals, page 14). This sentence should instead state “Category 2 proposals will be evaluated based on the following five factors.” The 80% weighting factor applied to the bid price (Section 5.22, Bid Price, page 14) is reduced to sixty five percent (65%) and a new Section 5.25 is added as follows:

**5.25 Correlation With Overall Needs**  
*(15% Weighting Factor)*

The Authority will evaluate proposals to determine which proposals are likely to provide the greatest overall value and best fit the overall objectives and needs of the Authority’s peaking generation program. This includes, but is not limited to, such factors as the delivered cost of energy, contracting utility resource needs, financing, and regulatory approval.

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**Taxes.** A respondent's fixed turnkey price is an all-inclusive bid that shall include all applicable federal, state and local taxes associated with the development and construction of the project and payable by the developer. Respondents should assume no tax benefit or change in tax structure due to CPA participation in the project. Taxes and related items should be assumed to be the same as a contract structure associated with a development contract on an O&M contract for any IOU or other purchaser of similar electric services.